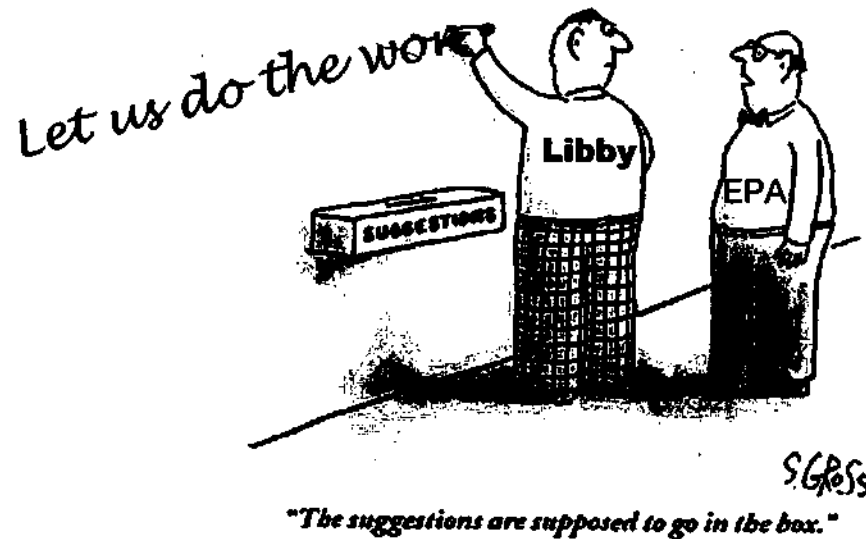


# Libby Asbestos Site Cost Saving Initiatives



Saving Money Under  
Pressure

SFRC:  
Include in  
Title ↓

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Brief

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# New Construction Contract

- Site specific, fixed price, multiple award. Three contractors bid on work by task order (e.g. 20-30 houses).
- Delayed, but awarded summer 2005.
- Initial results: **35% cost savings on residential cleanups** compared to best CPFF results last year (estimated \$1.5-\$2.0M/year)
- Initial results: **45% saving on landfill operation** (\$150k/year).
- Average contractor cleanup costs now meeting or exceeding targets of \$30,000 per property.
- Fighting some negative community perception, especially local labor concerns (uncertainty).
- Concerns with quality under fixed price scenario, but quality has improved with **no increase in oversight resources**.

# Design Work & Approach

- New contract requires detailed design of each property for bidding. Many doubted we could develop such designs on a project as complicated and fluid as Libby.
- Average design cost per property is actually LESS in 2005 than 2004. Only a few change orders over several months. **Average design cost per property about \$7k.**
- - (1) project experience using T&M and CPFF contracts
  - (2) efficient use of off-site, junior labor
  - (3) early, frequent homeowner involvement
  - (4) handheld electronic data collection; checklists
  - (5) aerial photo & GIS usage
- ERRS or other for unique, complex properties

# Capital Investments

- “Unpopular” because they initially hurt
- Construction of asbestos landfill (\$600k investment in 2002, \$150k for expansion in 2004)
  - Greatly reduced transportation costs
  - Reduced disposal costs offset labor of operation
  - O&M asset
- Purchase of vacuum boxes, misting tent, and decon stations (\$200k investment in 2003 and 2004)
  - Government purchases (used), contractors utilize
  - **Reduced funds spent on leases = lower bids**
  - Break even point on most already
- Development of CDM Sample Prep Lab - \$200k
- Aerial photo, GIS, Libby2 dB

# CDM and Volpe Labor Savings

- Directed and implemented 10% labor cut at Volpe across the board in 2004. Achieved or exceeded.
- Yearly dB costs reduced from \$1.3M to \$800k. Development complete, reduced labor.
- CDM added local hires for all admin and CIC staff in Libby. Most others are permanent and work at reduced on-site rate. Greatly reduced travel.
- **CDM costs have decreased by \$900k per year (20%) from 2002 to 2004.**

# Reduced analytical costs

- Constant reevaluation of data trends
- Examples:
  - Multiple labs = best costs
  - Maximize use of on-site lab (bulk rate)
  - Hierarchical, phased sampling strategy
  - 24 hour operation of CDM prep lab w/no overtime
  - Greatly reduced perimeter, health and safety, containment, and clearance samples supported by data
  - Reanalysis of existing samples for RI
- **Average sample cost has decreased from \$245 in 2001 to \$95 in 2004**

# Use of Agency Resources

- Currently looking to hire a GS-13 Field RPM to oversee construction and manage day to day operations. Likely to enable us to reduce oversight by CDM and Volpe in the future.
- ROD and much of RI/FS will be written in-house by RPM with contractor support. This ensures a quality product and far lower costs.